

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

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MEMORANDUM

TO: Westfield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 26, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on November 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

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**Westfield Retirement System
January 1, 2017 Actuarial Valuation**

Total Cost Increasing 5.8% to FY33 with Final Amortization Payment in FY34

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERIP</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2018	3,695,211	65,000	5,395,992	728,098	9,884,301	94,360,443	
2019	3,861,496	65,000	5,770,232	760,862	10,457,590	95,008,984	5.80%
2020	4,035,263	65,000	6,168,766	795,101	11,064,131	95,278,929	5.80%
2021	4,216,850	65,000	6,593,119	830,881	11,705,850	95,114,836	5.80%
2022	4,406,608	65,000	7,044,911	868,270	12,384,790	94,455,432	5.80%
2023	4,604,906	65,000	7,525,859	907,343	13,103,107	93,233,077	5.80%
2024	4,812,126	65,000	8,037,788	948,173	13,863,088	91,373,176	5.80%
2025	5,028,672	65,000	8,582,634	990,841	14,667,147	88,793,548	5.80%
2026	5,254,962	65,000	9,162,450	1,035,429	15,517,841	85,403,731	5.80%
2027	5,491,436	65,000	9,779,417	1,082,023	16,417,876	81,104,238	5.80%
2028	5,738,550	65,000	10,435,849	1,130,714	17,370,113	75,785,738	5.80%
2029	5,996,785	65,000	12,315,794		18,377,579	69,328,179	5.80%
2030	6,266,640	65,000	13,111,839		19,443,479	61,599,831	5.80%
2031	6,548,639	65,000	13,957,562		20,571,201	52,456,244	5.80%
2032	6,843,328	65,000	14,856,002		21,764,330	41,739,128	5.80%
2033	7,151,278	65,000	15,810,384		23,026,662	29,275,129	5.80%
2034	7,473,085	65,000	15,232,933		22,771,018	14,874,511	-1.11%
2035	7,809,374	65,000			7,874,374	0	-65.42%

Appropriation payments assumed to be made November 1 of each fiscal year.
Normal cost assumed to increase 4.5% per year.
Assumed expenses of \$650,000.